

**Department of
Veterans Affairs**

**Information
Bulletin**

October 2, 1998

**Loan Guaranty Letter 98-22
264-12**

Subj: Issuance of Loan Guaranty Certificates (LGC)

1. The Department of Veterans Affairs (VA) has established a time standard of less than 45 days (from the date of receipt of the loan closing package) for the issuance of Loan Guaranty Certificates. During the past year, the Denver Regional Loan Center (RLC) has processed LGC requests within 35 days of receipt and we intend to continue the timely processing of LGC requests. Since status inquiry research causes unnecessary interruptions and delays in processing, please allow a minimum of 45 days from the date of submission of closed loan package before making a status inquiry.
2. The original LGC is issued to the Lender at the address which corresponds to the lender identification number as indicated on the Loan Summary Sheet. Therefore, it is essential for lenders to assure the correct lender identification number is on the Loan Summary Sheet. Often times the identification number is for the agent or a branch office, not the lender's home office, and this results in the LGC being mailed to the wrong address. Therefore, the LGC is sometimes lost or delayed in being received by the lender's shipping department, thus delaying delivery of the loan to the secondary market purchaser.
3. Our office is being inundated with requests for duplicate LGCs. Since the Loan Guaranty Certificate is a serial-numbered and accountable document, it is very time consuming and cumbersome for us to issue a duplicate LGC. In addition, we are receiving many notices of paid-in-full loans which have the original LGC and up to three duplicate LGCs. A duplicate LGC request should not be routine, but rather a last measure after all other efforts to retrieve the original LGC have failed.
4. Effective immediately, duplicate LGCs will be issued from the Denver RLC only after both of the following conditions are met:
 - a. The request is received not earlier than sixty days following date of issuance of original LGC.
 - b. The request for a duplicate is signed by a Corporate Officer of the Lender's home office and contains the following certification:

The original Loan Guaranty Certificate for Loan Number (VA Loan Number) has been lost or erroneously destroyed and a duplicate is requested. The undersigned lender agrees to indemnify VA for any increased liability or costs resulting from the issuance of a duplicate Loan Guaranty Certificate.

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5. To minimize the need to request a duplicate LGC, the following suggestions are provided:

a. Make certain the original LGC is being issued to the correct office by using the correct VA lender identification number for the office to which the LGC is to be mailed.

b. Follow standard operating procedures to safeguard the original LGC and associate it with the correct loan.

c. Submit requests for VA guaranty as soon as possible after loan closing to ensure receipt of LGC within the time frame necessitated by secondary market requirements.

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Distribution:
All Program Participants